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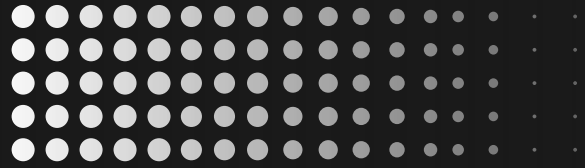# Business Update
Q3 FY21

Disclaimer

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this presentation other than statements of historical facts, including the business strategy, plans, and objectives for future operations of C3.ai, Inc. and its subsidiaries ("we," "us," or "our"), and our financial outlook, are forward-looking statements. The words "anticipate," "believe," "continue," "estimate," "expect," "intend," "may," "will" and similar expressions are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs. These forward-looking statements are subject to a number of risks and uncertainties. Some of these risks are described in greater detail under the heading "Risk Factors" in the Quarterly Report on Form 10-Q that we have filed with the Securities and Exchange Commission (the "SEC") for the quarter ended January 31, 2021, although new and unanticipated risks may arise. The future events and trends discussed in this presentation may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, achievements, or events and circumstances reflected in the forward-looking statements will occur. Except to the extent required by law, we do not undertake to update any of these forward-looking statements after the date of this presentation to conform these statements to actual results or revised expectations.

This presentation also contains estimates and other statistical data made by independent parties and by us relating to market size and growth and other data about our industry. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. Neither we nor any other person makes any representation as to the accuracy or completeness of such data or undertakes any obligation to update such data after the date of this presentation. In addition, projections, assumptions, and estimates of our future performance and the future performance of the markets in which we operate are necessarily subject to a high degree of uncertainty and risk.

In addition to the financials presented in accordance with U.S. generally accepted accounting principles ("GAAP"), this presentation includes non-GAAP financial information. We believe that non-GAAP financial information, when taken collectively with financial information presented in accordance with GAAP, may be helpful to investors because it provides consistency and comparability with past financial performance. There are a number of limitations related to the use of non-GAAP financial metrics versus their nearest GAAP equivalents. For example, other companies may calculate non-GAAP metrics differently or may use other metrics to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial metrics as tools for comparison. We urge you to review the non-GAAP financial information with the financial information presented in accordance with GAAP, and not to rely on any single financial measure to evaluate our business.

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Q3 FY21 Summary Financial Results

	Q3 FY21	% Change Y/Y
Revenue	$49.1 million	+19%
Subscription Revenue	$42.7 million	+23%
Services Revenue	$6.4 million	-4%
Non-GAAP Operating Expense	$49.2 million	+27%
Non-GAAP Operating Margin	(24.3%)	(4) pts.

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Enterprise AI Software for Digital Transformation

C3 AI Suite

Comprehensive platform for rapidly developing, deploying, and operating Enterprise AI applications

C3 AI Applications

Pre-built SaaS applications for rapidly addressing high-value use cases

C3 AI Ex Machina

Low-code / No-code analytics for data science

C3 AI CRM

Industry-specific AI CRM

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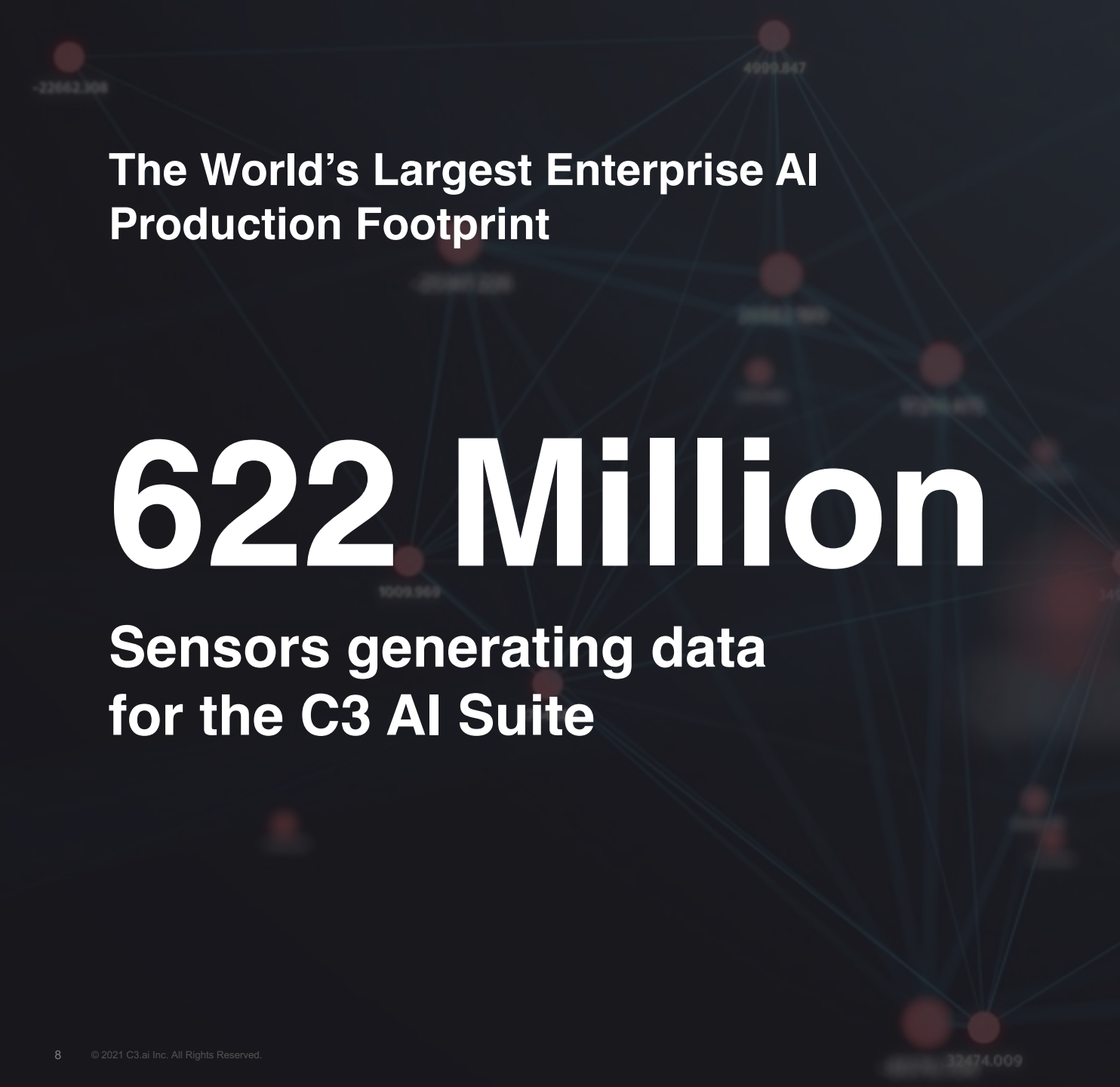**The World's Largest Enterprise AI Production Footprint**

1.1 Billion

Predictions per day

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The World's Largest Enterprise AI Production Footprint

4.8 Million

Machine learning models in production

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The World's Largest Enterprise AI Production Footprint

622 Million

Sensors generating data for the C3 AI Suite

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The World's Largest Enterprise AI Production Footprint

770

Unique enterprise and extraprise source data integrations

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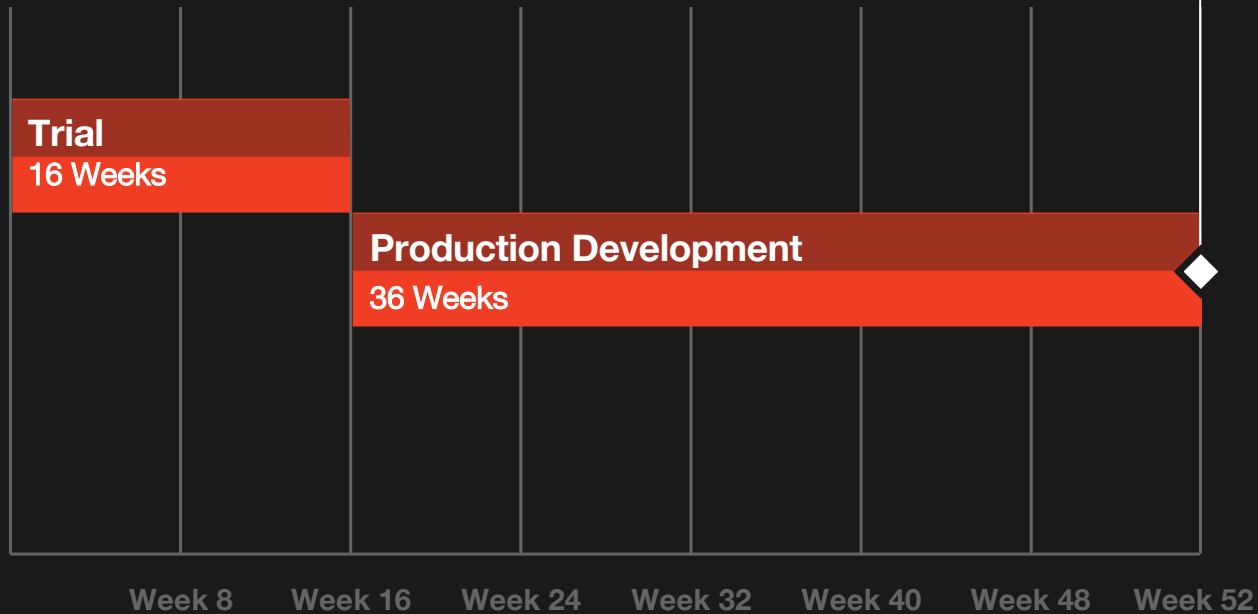**The World's Largest Enterprise AI Production Footprint**

50 Million

Businesses and consumers touched daily

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Rapid Time to High-Value

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Rapid Time to High-Value Outcomes

Fortune 50 **Bank**

Securities Lending Optimization

Deployed in 52 Weeks

Trial
16 Weeks

Production Development
36 Weeks

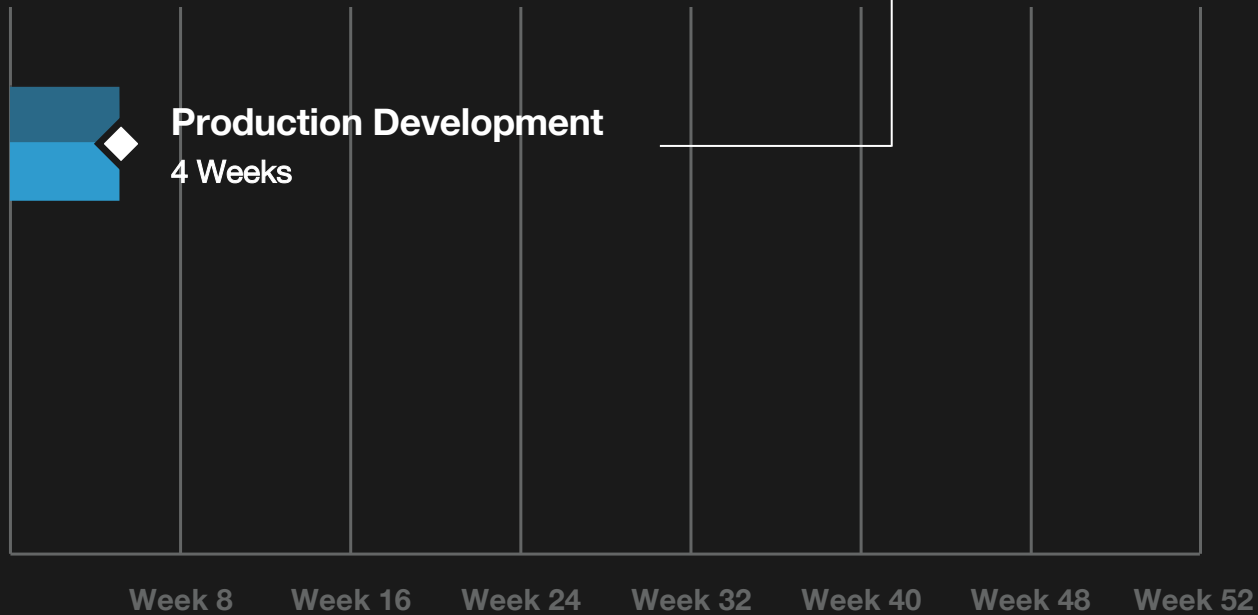| Week 8 | Week 16 | Week 24 | Week 32 | Week 40 | Week 48 | Week 52 |

Value

$14 billion in additional daily trades

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Rapid Time to High-Value Outcomes

Fortune 500 **Healthcare Mfg**

Production Optimization

**Deployed in
4 Weeks**

Production Development
4 Weeks

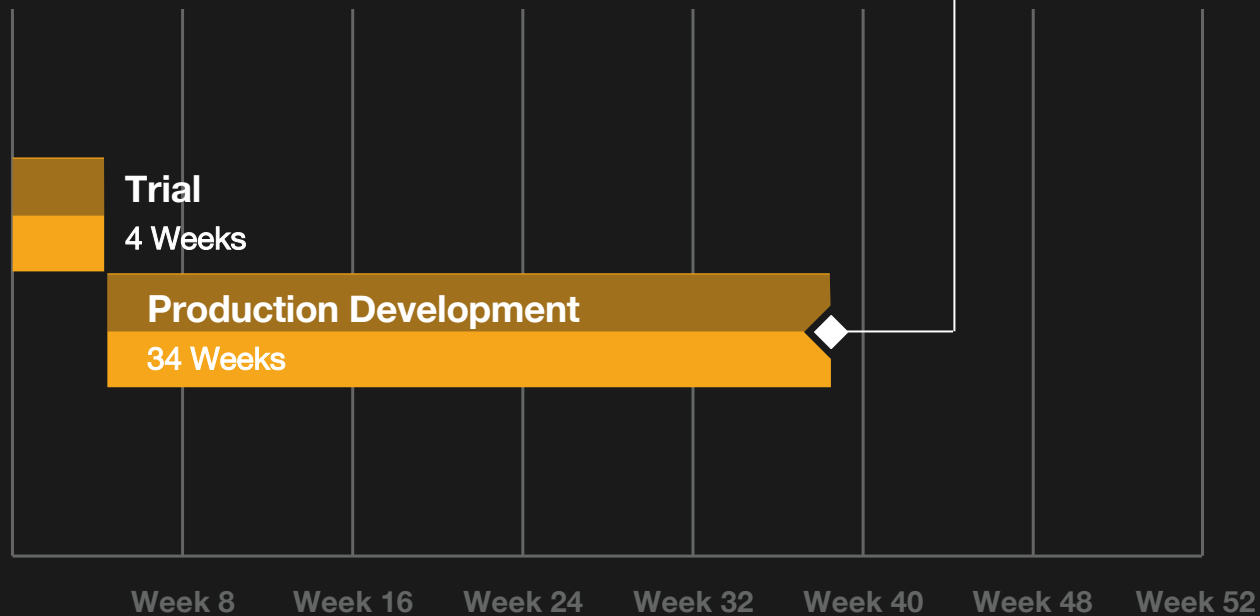| Week 8 | Week 16 | Week 24 | Week 32 | Week 40 | Week 48 | Week 52 |

Value

300% increase
in unit production

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Rapid Time to High-Value Outcomes

Fortune 10 **Oil & Gas Company**

Predictive Maintenance
for Offshore Oil Rigs

Deployed in
38 Weeks

Trial
4 Weeks

Production Development
34 Weeks

Week 8   Week 16   Week 24   Week 32   Week 40   Week 48   Week 52

Value

$28 million per year
in avoided shutdowns

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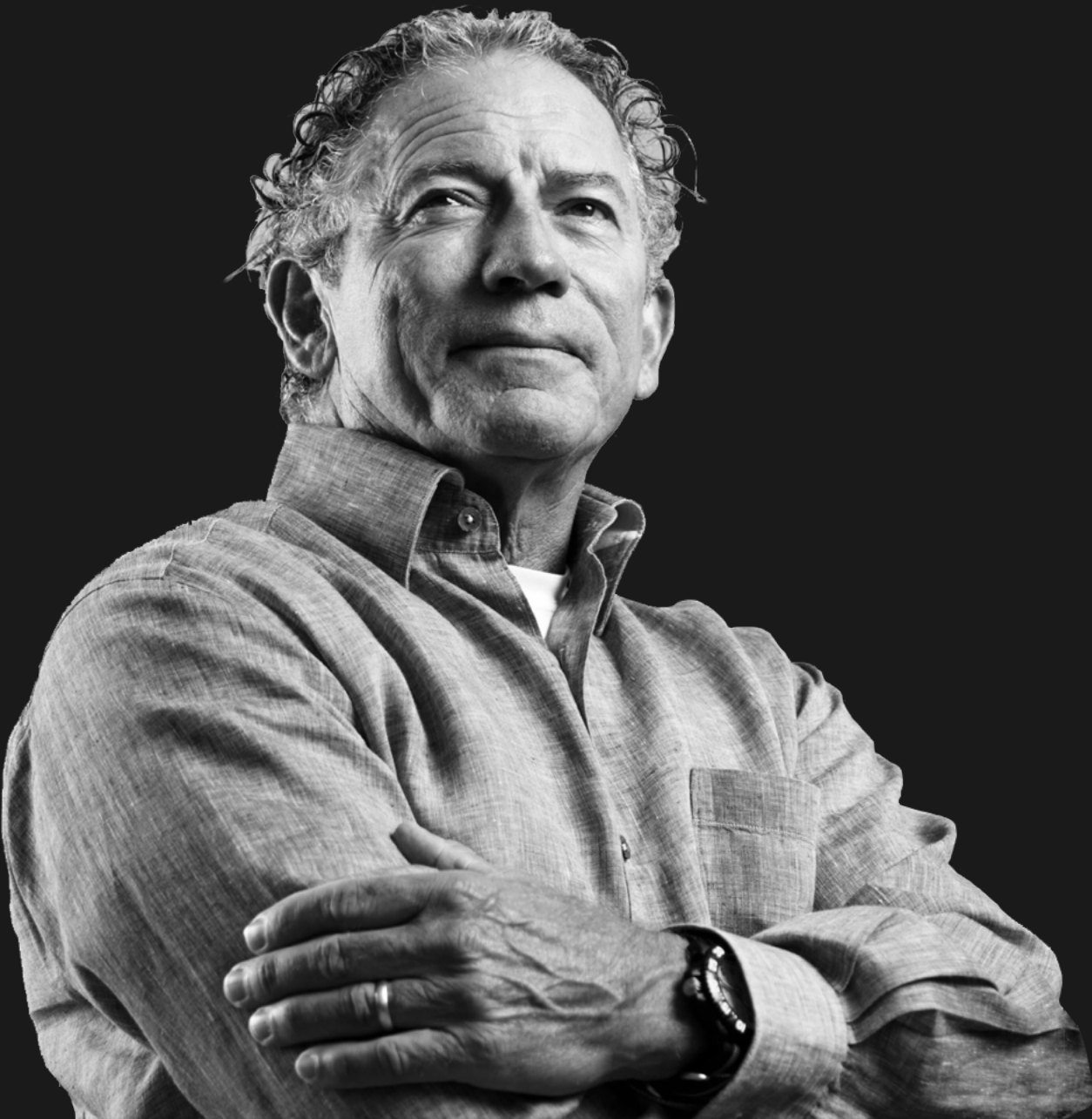
" This is a large and rapidly growing market; we continue to innovate; we continue to expand our market-partner ecosystem; and we continue to demonstrate technology leadership. I believe that we are increasingly well-positioned to establish a global market leadership position in enterprise AI software."

Thomas M. Siebel

Chairman and Chief Executive Officer
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C3 AI Leads Digital Transformation Across Industries

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C3 AI Expands New Enterprise Production Deployments

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C3 AI Significantly Extends Its Market-partner Ecosystem

New C3 AI Industry Partners

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C3 AI Demonstrates Continued Product Leadership In Enterprise AI

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New Enterprise AI Releases 7.15 - 7.17 Provide Major Enhancements

Performance & Scalability

Performance and scalability improvements to Virtual Data Lake framework

Connectors to Snowflake, Spark / Databricks, S3, and Azure Data Lake

Development Tools

New comprehensive data, feature, and model lineage feature

Enables developers and end users to understand the lineage of their application and AI/ML results

New & Improved Applications

Improvements and new Enterprise AI applications in:

- Anti-Money Laundering
- Energy Management
- Sustainability
- Production Schedule Optimization

Multi-Cloud & On-premise

Enhancements to multi-cloud and on-premise deployment options with:

- Kubernetes
- OpenShift
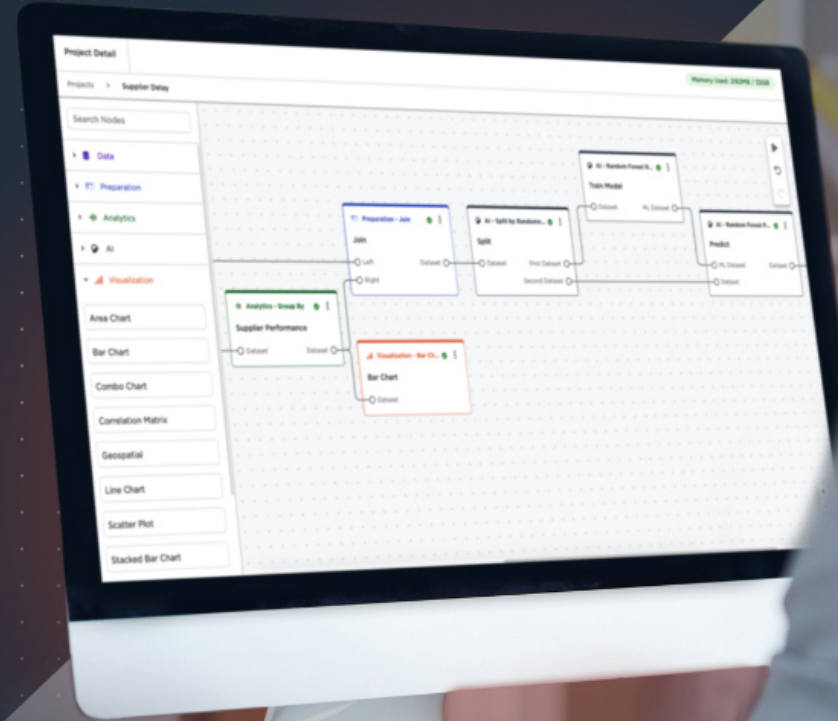
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C3 AI CRM for Industries

Reinventing CRM to transform sales, marketing, and customer experiences for industries

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C3 AI CRM
Powered by Microsoft Dynamics 365

Microsoft

Adobe

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No-Code AI
You Can Use

C3 AI Ex Machina enables anyone to develop, scale, and apply AI insights without writing code.

C3 AI
Ex Machina

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C3 AI
Ex Machina

Rapidly and flexibly access all your data

Build and manage AI models without writing code

Use AI to drive smarter business outcomes

Scale to meet your needs

Grow with confidence

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C3 AI Awarded Major Patent

Systems, methods, and devices for an enterprise AI application development platform

(No.10,817,530)
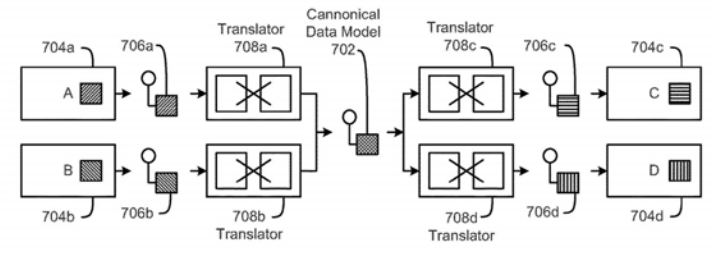
C3 AI Increases Investment in Climate and Energy Sustainability Market

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C3 AI Smart Institutions

Scope 3 Emissions

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C3.ai Digital
Transformation
Institute

Digital Transformation and AI for Energy and Climate Security

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C3.ai Digital Transformation Institute

Digital Transformation and AI for Energy and Climate Security

The C3DTI Second Call for Proposals addresses the challenges for AI and Digital Transformation for Energy and Climate Security. The energy industry is being digitally transformed by investment at all levels of production, generation, transmission, and distribution: sensors, data analytics, new privacy-aware markets, and usage of smart meters in homes are all part of this transformation. However, the transformation of energy to be resilient to large environmental changes, faults (including maintenance errors), and cyber-attacks is still a work in progress. The early lead of energy operators in embracing digital transformation has enabled those systems to use digital transformation not only to enhance energy efficiency but also to lead the way to a lower-carbon, higher-efficiency economy that will enhance both energy and climate security.

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C3.ai Digital
Transformation
Institute

Shell Joins C3.ai DTI as an Industry Partner

C3.ai Digital
Transformation
Institute

Shell is the newest industry partner to join the consortium of universities, national laboratories, and companies that make up the DTI.

The DTI Industry Partner Program enables leading companies from around the world to engage with DTI researchers and activities, and to contribute data sets that will be available for research after anonymization. Industry Partners contribute $100,000 per year to support C3.ai DTI's operations and research, curriculum development, and education programs.

C3.ai Digital Transformation Institute

KTH Joins the C3.ai DTI Consortium

C3.ai Digital Transformation Institute

KTH Royal Institute of Technology in Stockholm, Sweden has become the eighth university member and first international member of the academic and industry consortium.

The C3.ai Digital Transformation Institute is a research consortium dedicated to accelerating the benefits of artificial intelligence for business, government, and society. The Institute engages the world's leading scientists to conduct research and train practitioners in the new Science of Digital Transformation, which operates at the intersection of artificial intelligence, machine learning, cloud computing, internet of things, big data analytics, organizational behavior, public policy, and ethics.

C3 AI Enhances Company Leadership

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Jim Hagemann Snabe
Joins C3 AI
Board of Directors

Chairman of the Board of Directors Maersk
Former Co-CEO, SAP AG, Germany

MAERSK   SAP   SIEMENS

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Jim Hagemann Snabe

Member, C3 AI Board of Directors

Jim Hagemann Snabe is the former co-CEO of SAP AG. He is now Chairman A. P. Moller Maersk (DK), and Nominated Chairman Siemens AG (D) Vice Chairman Allianz SE (D). He is member of the Board of Trustees at World Economic Forum (CH).

With 25 years of experience in the IT industry, Jim Hagemann Snabe is focused on leadership around innovation, digitization and societal progress. As co-CEO of SAP Jim, together with Bill McDermott, was instrumental in driving the strategic development of SAP to double the value of the company and play a more responsible role in society. In 2013 he and co-CEO Bill McDermott were ranked #2 on Glassdoor.com's listing of the top fifty highest rated CEOs, based on their 99 percent approval rating from employees.

In his capacity as a global business leader, Jim is involved in a number of activities focused on societal progress and the role of business in society. Snabe's views on leadership is shaped by his commitment to solving societal issues and his trust in human potential.

Snabe received a master's degree in operational research from the Aarhus School of Business in Denmark. In 2016 Jim was appointed Adjunct Professor at Copenhagen Business School based on his work around digital transformation and its impact on business and society. He lives with his family in Copenhagen, Denmark.

Jim Hagemann Snabe has a master's degree in Operational Research, University of Aarhus; Adjunct Professor at Copenhagen Business School, Denmark.

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C3 AI Strengthens Global Advisory Board

Sajid Javid

Member of Parliament and former Home Secretary and former Chancellor of the Exchequer in the UK
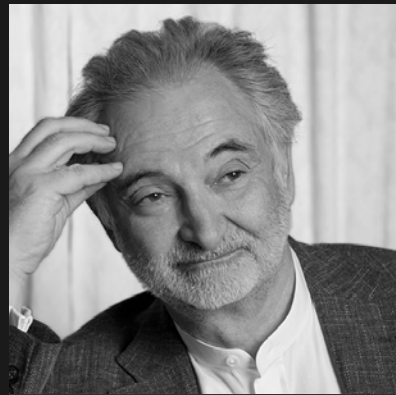
Jacques Attali

Founder and first President of the European Bank for Reconstruction and Development; Former Special Adviser to the President of France

Admiral Dennis McGinn

Former U.S. Assistant Secretary of the Navy

Rick Ledgett

Former Deputy Director of the NSA

Franck Cohen

Former President of SAP

George Mathew

Managing Director at Insight Partners

New C3 AI Advisory Board Members

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Rt. Hon. Sajid Javid MP

Advisor

The Rt. Hon. Sajid Javid MP is a British Member of Parliament and former Chancellor of the Exchequer of the United Kingdom. He has served in the Cabinet of three British Prime Ministers as the Secretary of State for five different Departments, including the Treasury and Home Office.

Before going into public service he worked in business and finance, most recently as a senior Managing Director for Deutsche Bank. Mr. Javid started his career at Chase Manhattan Bank NA in 1991, first in London and then in New York. Aged 25, he was made a Vice President. In 2000, he joined Deutsche Bank's emerging markets business in London. As a senior Managing Director, Mr. Javid moved to Singapore with Deutsche Bank in 2006 to run its credit trading, commodities, convertibles, and principal finance businesses in Asia. He also served as a board member of Deutsche Bank International (Asia) Limited.

In 2010 Mr. Javid was elected a Member of Parliament in the United Kingdom for the constituency of Bromsgrove, and has been re-elected three times since. He served as Economic Secretary and Financial Secretary before joining the UK Cabinet in 2014 as the Secretary of State for Culture, Media & Sport, the first ethnic minority MP to become a Secretary of State in British history. In 2015 he was appointed Secretary of State for Business, Innovation and Skills and President of the Board of Trade. In 2016, Mr. Javid was appointed Secretary of State for Communities and Local Government. In 2018, he became Home Secretary, one of the four Great Offices of State, and took on responsibility for the UK's internal affairs, national security, borders, and immigration policy. In 2019, Mr. Javid was appointed Chancellor of the Exchequer, responsible for the UK's economic and financial matters. He left that office in February 2020. Mr. Javid has served on the UK's National Security Council for over 3 years. He is a member for life of Her Majesty's Privy Council.

Mr. Javid is also a Senior Fellow at the Harvard Kennedy School, and a Senior Advisor to JPMorgan.

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Jacques Attali

Advisor

Professor, writer, Honorary Member of the Council of State, Special Adviser to the President of the Republic from 1981 to 1991, founder and first President of the European Bank for Reconstruction and Development in London from 1991 to 1993, Jacques Attali (www.attali.com) is currently CEO of A&A, an international consulting firm (www.aeta.net) specialised in new technologies, based in Paris, and President of PlaNet Finance (www.planetfinance.org), an international non-profit organisation assisting microfinance institutions all over the world. PlaNet Finance is the most important world institution of support to the microfinance. PlaNet Finance advises and finances the development of the microfinance in 80 countries.

He founded Action Contre la Faim in 1980 and the European programme Eurêka (a major European programme on new technologies that invented, among other things, the MP3).
In 1989, he also launched an international programme of action against the disastrous floods in Bangladesh. Jacques Attali then advised the Secretary General of the United Nations on the risks of nuclear proliferation. He is at the origin of the higher education reform, known as LMD, to bring all European degrees into line.

Jacques Attali has a doctorate in Economics and is a graduate of the Ecole Polytechnique (first in the class of 1963), the Ecole des Mines, the Institut d'Etudes Politiques and the Ecole Nationale de l'Administration. He taught Economic Theory at the Ecole Polytechnique, the Ecole des Ponts et Chaussées and the University of Paris-Dauphine. He has received honorary doctorates from several foreign universities and is a member of the Universal Academy of Cultures.

Jacques Attali is a columnist for the magazine L'Express. He has written 65 books, translated into more than 30 languages, with over eight million copies sold all over the world, including essays (dealing with a wide variety of subjects ranging from mathematical economics to music), biographies, novels, children's tales and plays. Dr. Attali has been designated as one of the three most influential intellectuals in France and one of the 100 most influential worldwide.

On April 2011, he was honored with the Corporate Citizenship award from the Woodrow Wilson International Center for Scholars.

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Vice Admiral Dennis V. McGinn, Ret.

Advisor

Vice Admiral Dennis V. McGinn, Ret. served as as Assistant Secretary of the Navy for Energy, Installations and Environment from September 2013 until January 2017. In this role, Vice Admiral McGinn, Ret., led the transformation of naval installations toward greater resiliency though energy efficiency, microgrids and other technologies. Previously, Vice Admiral McGinn, Ret., served in the United States Navy for 35 years attaining the rank of Vice Admiral. Vice Admiral McGinn, Ret., served as Deputy Chief of Naval Operations for Warfare Requirements and Programs, overseeing the development of future Navy capabilities, and previously commanded the United States Third Fleet. While in the Navy, he served as a naval aviator, test pilot, aircraft carrier commanding officer and national security strategist. Vice Admiral McGinn, Ret., is a former President of the American Council on Renewable Energy (ACORE) where he led efforts to communicate the economic, security and environmental benefits of renewable energy.

Vice Admiral McGinn, Ret., is also a past member of the Steering Committee of the Energy Future Coalition, the United States Energy Security Council and the Bipartisan Center Energy Board and the past Co-Chairman of the CNA Military Advisory Board. He has also been an International Senior Fellow at the Rocky Mountain Institute. Vice Admiral McGinn, Ret., holds a BS in Naval Engineering from the U.S. Naval Academy. Vice Admiral McGinn, Ret., was also a participant in the National Security Program at Harvard University's Kennedy School of Government

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Rick Ledgett

Advisor

Rick Ledgett began his NSA career in 1988 and has served in operational, management, and technical leadership positions at the branch, division, office, and group levels. Mr. Ledgett served as the 15th Deputy Director of the National Security Agency. From 2012 to 2013 he was the Director of the NSA/CSS Threat Operations Center, responsible for round-the-clock cryptologic activities to discover and counter adversary cyber efforts. Prior to NTOC he served in several positions from 2010 to 2012 in the Office of the Director of National Intelligence in both the collection and cyber mission areas. He was the first National Intelligence Manager for Cyber, serving as principal advisor to the Director of National Intelligence on all cyber matters, leading development of the Unified Intelligence Strategy for Cyber, and coordinating cyber activities across the Intelligence Community (IC). Previous positions at NSA include Deputy Director for Analysis and Production (2009-2010), Deputy Director for Data Acquisition (2006-2009), Assistant Deputy Director for Data Acquisition (2005-2006), and Chief, NSA/CSS Pacific (2002-2005). He also served in a joint IC operational activity, and as an instructor and course developer at the National Cryptologic School.

He led the NSA Media Leaks Task Force from June 2013 to January 2014, and was responsible for integrating and overseeing the totality of NSA's efforts surrounding the unauthorized disclosures of classified information by a former NSA affiliate.

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Franck Cohen

Advisor

Franck Cohen previously served as President of EMEA and led the Digital Core & Industry Solutions for SAP.

Cohen is a global leader in using the cloud to transform ERP, known for taking radical approaches to business processes. He is an innovative Enterprise software executive with over 30 years of global experience. While at SAP, Cohen was President of EMEA for seven years and led the Digital Core Lab which was responsible for developing all of the company's industry verticals.

Cohen is frequently interviewed as an ERP, artificial intelligence and machine learning expert and industry leader. He started his career with the successful launch of an ERP reseller business in France. Cohen later joined Intentia, a Swedish ERP company.

He studied mathematics and electronic engineering at Tel Aviv University.

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George Mathew

Advisor

George Mathew serves as Managing Director at Insight Partners. He focuses on venture stage investments in AI, ML, Analytics, and Data companies as they are establishing product/market Fit.

He brings 20+ years of experience developing high-growth technology startups including most recently being CEO of Kespry. Prior to Kespry, George was President & COO of Alteryx where he scaled the company through it's IPO (AYX). Previously he held senior leadership positions at SAP and salesforce.com. He has driven company strategy, led product management and development, and built sales and marketing teams.

George holds a Bachelor of Science in Neurobiology from Cornell University and a Masters in Business Administration from Duke University, where he was a Fuqua Scholar.

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Expanded Enterprise AI Branding Campaign

Significant cable TV and radio presence in the U.S and EMEA, with spots running on the major business and financial networks

Highest Rated Cloud Computing Companies to Work For During the Covid Crisis

Based on Glassdoor ratings/reviews

C3 AI Continues to Attract Massive Interest from the Global Talent Pool

17,311
job applicants in the quarter

3,966 interviews

1,777 candidates

694 assessments administered

60
full-time employees hired

and processed **57**
accepted job offers

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Q3 FY21 Financial Performance

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Quarterly Total Revenue: FY19 to FY21-Q3

Second largest sequential growth in company history

+19%
sequential
growth

$ in Millions

$22 — Q1
$22 — Q2
$24 — Q3
$24 — Q4

FY19

$35 — Q1
$39 — Q2
$41 — Q3
$42 — Q4

FY20

$40 — Q1
$41 — Q2
$49 — Q3

FY21

Note: Fiscal year ends April 30. Numbers are rounded for presentation purposes.

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Total Revenue Mix

Subscription revenue mix improves by three points

$ in Millions

$49.1

$41.3

% of Total Revenue

87%

Subscription Revenue

$34.6

$42.7

% of Total Revenue

84%

Professional Services Revenue

$6.7

$6.4

16%

13%

FY20-Q3

FY21-Q3

Note: Numbers are rounded for presentation purposes.

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Non-GAAP Total Gross Margin

Subscription revenue driving two points of margin expansion

74% — FY20-Q3

76% — FY21-Q3
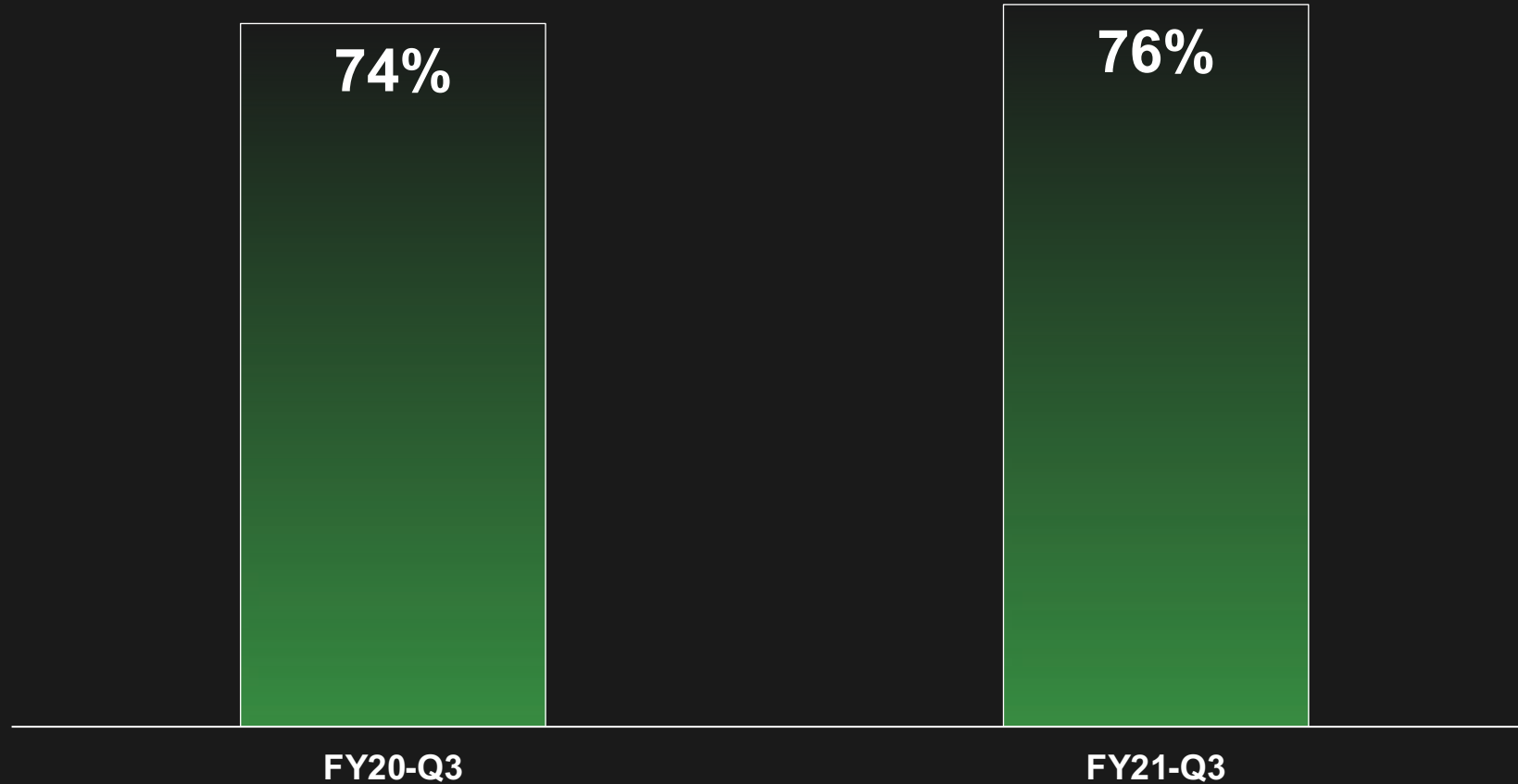
Note: Non-GAAP total gross margin, is a non-GAAP financial measure. Refer to the Appendix for reconciliations of this non-GAAP financial measure to the most directly comparable GAAP measure.

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Non-GAAP Operating Expenses

Thoughtfully investing to capture the Enterprise AI market opportunity

Non-GAAP Operating Expenses

$ in Millions

FY20-Q3: **$38.9**
- $22.5 (Sales and Marketing)
- $12.0 (Research and Development)
- $4.3 (General and Administrative)

FY21-Q3: **$49.2**
- $25.7 (Sales and Marketing)
- $17.9 (Research and Development)
- $5.6 (General and Administrative)

Non-GAAP Operating Expenses as a % of Revenue

FY20-Q3: **94%**
- 55% (Sales and Marketing)
- 29% (Research and Development)
- 10% (General and Administrative)

FY21-Q3: **100%**
- 52% (Sales and Marketing)
- 36% (Research and Development)
- 11% (General and Administrative)

Legend:
- Sales and Marketing
- Research and Development
- General and Administrative

Note: Non-GAAP operating expenses, are a non-GAAP financial measure. Refer to the Appendix for reconciliations of these non-GAAP financial measures to the most directly comparable GAAP measures. Numbers are rounded for presentation purposes.

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Non-GAAP Operating Income and Margin

Substantial investment largely offset by Growth and Gross Margin Expansion

Non-GAAP Operating Income

FY20-Q3	FY21-Q3

$ in Millions

-$8.4

-$11.9

Non-GAAP Operating Margin

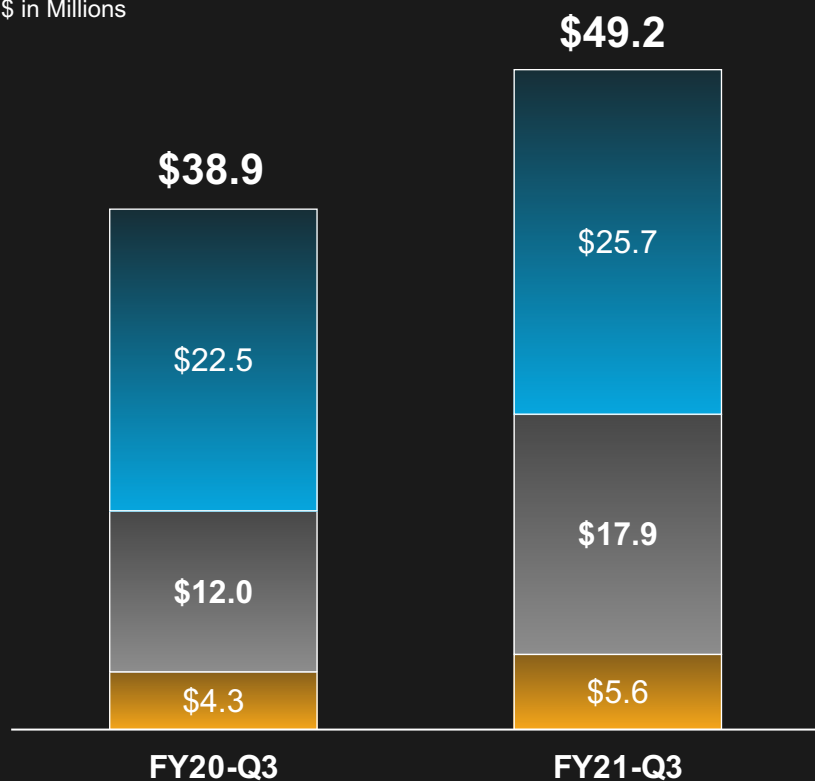| FY20-Q3	FY21-Q3

-20%

-24%
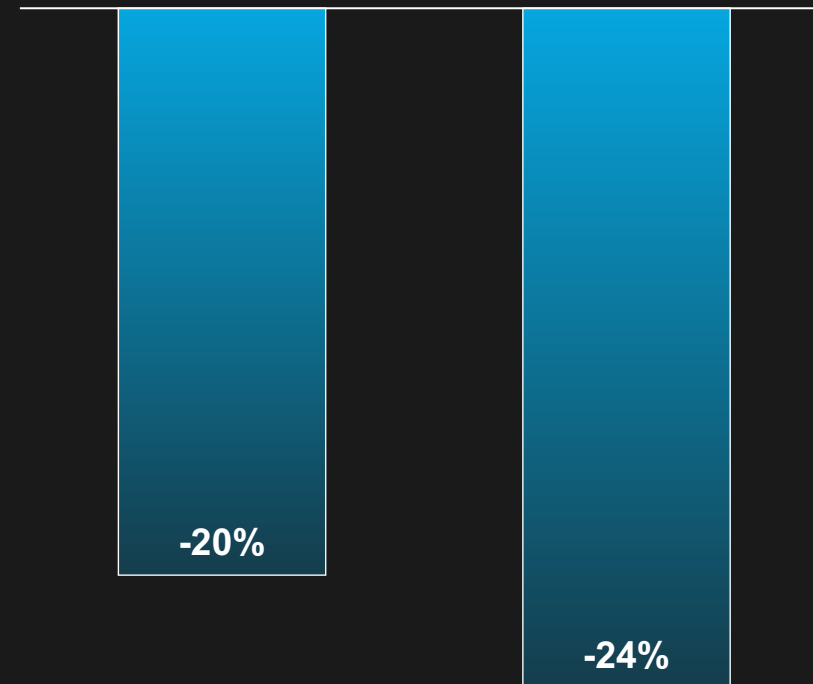
Note: Non-GAAP operating income and non-GAAP operating margin, are non-GAAP financial measures. Refer to the Appendix for reconciliations of these non-GAAP financial measures to the most directly comparable GAAP measures. Numbers are rounded for presentation purposes.
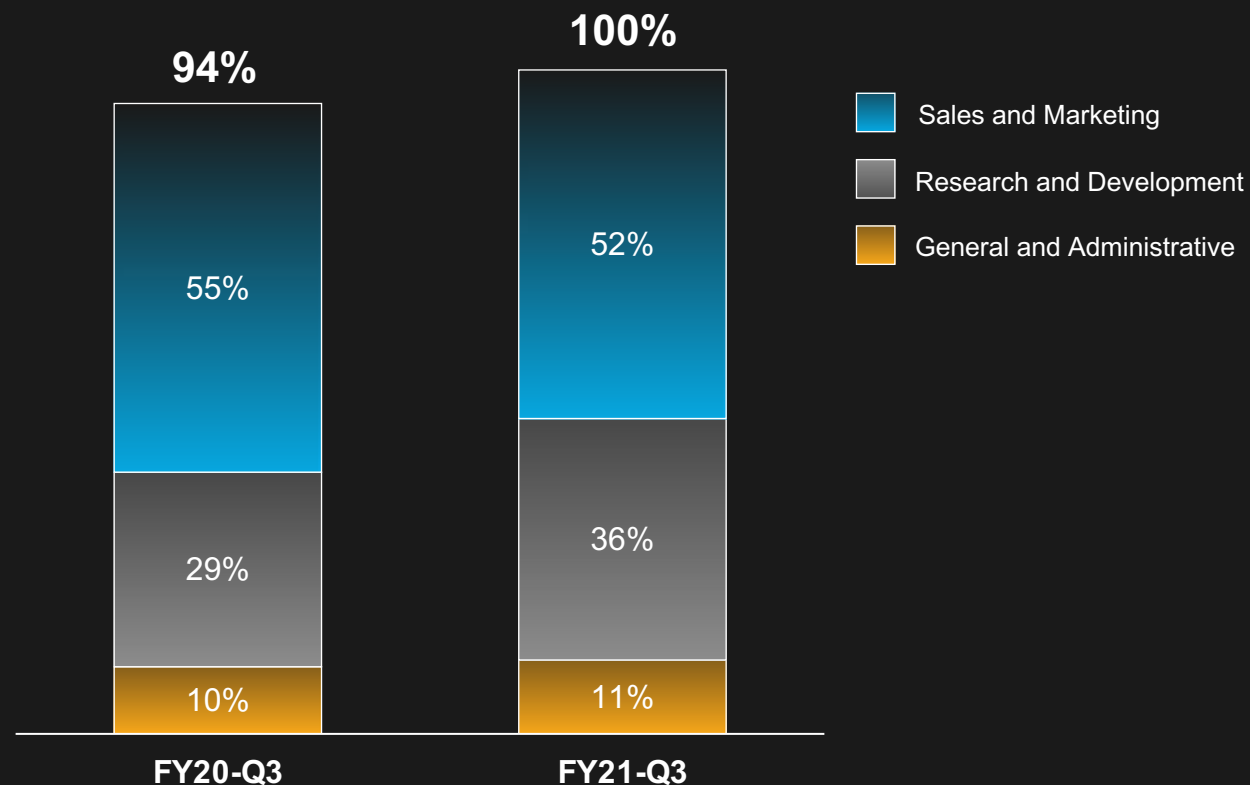
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Appendix

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Income Statement

	July 31, 2019	October 31, 2019	January 31, 2020	April 30, 2020	July 31, 2020	October 31, 2020	January 31, 2021
				(in thousands)			
Revenue							
Subscription	$ 30,976	$ 33,022	$ 34,629	$ 36,767	$ 35,695	$ 35,854	$ 42,699
Professional services	3,914	5,853	6,654	4,851	4,788	5,487	6,410
Total Revenue	34,890	38,875	41,283	41,618	40,483	41,341	49,109
Cost of revenue							
Subscription (1)	6,643	7,987	8,862	7,987	8,587	7,084	7,023
Professional services (1)	1,575	2,141	2,069	1,523	1,912	2,997	5,203
Total cost of revenue	8,218	10,128	10,931	9,510	10,499	10,081	12,226
Gross profit	26,672	28,747	30,352	32,108	29,984	31,260	36,883
Operating expenses							
Sales and marketing (1)	11,637	25,587	23,162	34,588	14,358	22,088	28,450
Research and development (1)	10,918	23,873	12,331	17,426	13,264	16,134	18,748
General and administrative (1)	5,080	9,170	5,291	10,313	5,687	7,562	8,184
Total operating expenses	27,635	58,630	40,784	62,327	33,309	45,784	55,382
Loss from operations	(963)	(29,883)	(10,432)	(30,219)	(3,325)	(14,524)	(18,499)
Interest income	979	1,000	1,136	1,135	580	288	129
Other (expense) income, net	(252)	156	(402)	(1,253)	3,018	(578)	$ 1,721
Net income (loss) before provision for income taxes	(236)	(28,727)	(9,698)	(30,337)	273	(14,814)	(16,649)
Provision for income taxes	87	98	98	98	123	130	$ 203
Net income (loss)	$ (323)	$ (28,825)	$ (9,796)	$ (30,435)	$ 150	$ (14,944)	$ (16,852)

(1) Includes stock-based compensation expense as follows:

	July 31, 2019	October 31, 2019	January 31, 2020	April 30, 2020	July 31, 2020	October 31, 2020	January 31, 2021
				(in thousands)			
Cost of subscription	$ 61	$ 81	$ 104	$ 124	$ 184	$ 159	$ 214
Cost of professional services	33	30	30	29	48	89	164
Sales and marketing	580	701	613	1,180	855	2,190	2,790
Research and development	297	305	308	313	458	648	846
General and administrative	561	714	1,006	1,240	935	2,115	2,575
Total stock-based compensation expense	$ 1,532	$ 1,831	$ 2,061	$ 2,886	$ 2,480	$ 5,201	$ 6,589

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GAAP to Non-GAAP Reconciliations

	Three Months Ended						
	July 31, 2019	October 31, 2019	January 31, 2020	April 30, 2020	July 31, 2020	October 31, 2020	January 31, 2021
				(in thousands)			
Subscription revenue	$ 30,976	$ 33,022	$ 34,629	$ 36,767	$ 35,695	$ 35,854	$ 42,699
Professional services revenue	3,914	5,853	6,654	4,851	4,788	5,487	6,410
Total Revenue	34,890	38,875	41,283	41,618	40,483	41,341	49,109
GAAP cost of subscription revenue	6,643	7,987	8,862	7,987	8,587	7,084	7,023
Stock-based compensation	61	81	104	124	184	159	214
Non-GAAP cost of subscription revenue	6,582	7,906	8,758	7,863	8,403	6,925	6,809
GAAP cost of professional services revenue	1,575	2,141	2,069	1,523	1,912	2,997	5,203
Stock-based compensation	33	30	30	29	48	89	164
Non-GAAP cost of professional services revenue	1,542	2,111	2,039	1,494	1,864	2,908	5,039
GAAP sales and marketing expense	11,637	25,587	23,162	34,588	14,358	22,088	28,450
Stock-based compensation	580	701	613	1,180	855	2,190	2,790
Non-GAAP sales and marketing expense	11,057	24,886	22,549	33,408	13,503	19,898	25,660
GAAP research and development expense	10,918	23,873	12,331	17,426	13,264	16,134	18,748
Stock-based compensation	297	305	308	313	458	648	846
Non-GAAP research and development expense	10,621	23,568	12,023	17,113	12,806	15,486	17,902
GAAP general and administrative expense	5,080	9,170	5,291	10,313	5,687	7,562	8,184
Stock-based compensation	561	714	1,006	1,240	935	2,115	2,575
Non-GAAP general and administrative expense	4,519	8,456	4,285	9,073	4,752	5,447	5,609
Gross profit on a GAAP basis	$ 26,672	$ 28,747	$ 30,352	$ 32,108	$ 29,984	$ 31,260	$ 36,883
Stock-based compensation	94	111	134	153	232	248	378
Gross profit on a non-GAAP basis	26,766	28,858	30,486	32,261	30,216	31,508	37,261
Gross margin on a GAAP basis	76%	74%	74%	77%	74%	76%	75%
Gross margin on a non-GAAP basis	77%	74%	74%	78%	75%	76%	76%
Loss from operations on a GAAP basis	(963)	(29,883)	(10,432)	(30,219)	(3,325)	(14,524)	(18,499)
Stock-based compensation expense	1,532	1,831	2,061	2,886	2,480	5,201	6,589
Loss from operations on a non-GAAP basis	$ 569	$ (28,052)	$ (8,371)	$ (27,333)	$ (845)	$ (9,323)	$ (11,910)
Operating margin on a GAAP basis	-3%	-77%	-25%	-73%	-8%	-35%	-38%
Operating margin on a non-GAAP basis	2%	-72%	-20%	-66%	-2%	-23%	-24%

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